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ASSESSING THE IMPACT OF U.S.-ISRAELI RELATIONS ON THE ARAB WORLD

Lenore G. Martin

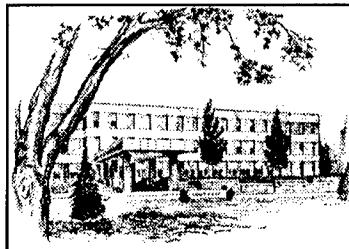
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FOREWORD

As a global power, the United States has often been required to balance and manage good relations with a host of states that view each other with suspicion and hostility. In no other region of the world has this problem been more acute than the Middle East, where difficulties between the Palestinians and Israelis continue to complicate U.S. policy. In recent times, U.S. Middle Eastern policy has been especially challenging as the result of differing regional perspectives on the global war on terrorism, the U.S. invasion of Iraq, and the post-war U.S. military presence in that country.

In this important monograph, Dr. Lenore Martin of Emmanuel College addresses the challenge that U.S. policymakers face in managing relations with numerous regional allies, including Israel and a host of moderate Arab states. These states often maintain differing concerns and are responding to diverse domestic and international pressures when they seek to influence the United States. These regional concerns and interests are thoroughly analyzed throughout this monograph. Additionally, the special importance of the Palestinian question is well-represented, with nuances of regional opinion carefully reflected.

The Strategic Studies Institute is pleased to offer this study to help deepen U.S. understanding of critical issues and trends in this vitally important region of the world.



DOUGLAS C. LOVELACE, JR.
Director
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LENORE G. MARTIN is Professor and Chair of the Department of Political Science and Coordinator of the Global Studies Program at Emmanuel College. She is an Associate of the Weatherhead Center for International Affairs at Harvard University where she co-chairs the WCFIA/CMES Middle East Seminar. She is also an Affiliate in Research at Harvard's Center for Middle Eastern Studies where she co-chairs the Study Group on Modern Turkey. Her recent publications include her edited book, *New Frontiers in Middle East Security* (Palgrave Press, 2001); "Conceptualizing Security in the Middle East: Israel and a Palestinian State," in Tami Jacoby and Brent Sasley, eds., *Redefining Security in the Middle East* (Manchester University Press, 2002); and "Arafat's Dueling Dilemmas: Succession and the Peace Process" which appeared in *Middle East Review of International Affairs* (MERIA), Vol. 6, No. 1, March 2002. Her forthcoming book, *The Future of Turkish Foreign Policy*, edited with Dimitris Keridis, will be published by MIT Press in 2003. She has recently been awarded a grant by the Kuwait Research Fund of the John F. Kennedy School of Government, Harvard University for research on Kuwait's national security.

SUMMARY

Pro-Western Arab regimes fear the backlash from their populations who are angered by the harsh Israeli occupation of the West Bank and Gaza and the failure of the United States to compel Israel to create a viable Palestinian state. Does the U.S. special relationship with Israel therefore jeopardize American interests in maintaining good relations with the moderate Arab states that are critical to secure the availability of reasonably priced oil from the Gulf? Or can Washington discount popular anger in Arab states that depend heavily upon American military assistance for their security against potentially hostile regimes and weapons of mass destruction (WMD) in the Middle East? This monograph explores the interplay of the national interests of the United States, Israel, and the Arab world. It analyzes the challenges to current American policies in the Middle East created by the interrelationships of radical Arab regimes, Israel, and the moderate Arab states.

Prior American administrations have been more balanced in their relations with Israel and the Arab world. Even though during the Cold War Israel was an important strategic asset in the containment of Communist influence in the region, Washington regulated its arms sales to Israel, restrained Israeli military superiority during the wars with its Arab neighbors, and attempted to mediate the Israeli-Palestinian conflict to balance U.S. relations with moderate Arab regimes. The current Bush administration, with its focus on combating radical Islamic terrorism and stabilizing Iraq, has tilted the balance towards Israel. This has serious consequences for America's relations with Egypt, Jordan, and the states of the Gulf Cooperation Council. Although these moderate Arab states all depend on the United States for their security from external threats, they all confront internal challenges to the legitimacy of their regimes. Saudi Arabia in particular faces intense criticism from radical Islamists who resent America's support of Israel and have demanded the complete expulsion of infidel forces, as well as facing the calls for more political participation from sectors in the Saudi elite. Moreover, Washington has downplayed the Saudi peace plan in favor of a peace process described by the "road map to peace."

The road map has no direct Arab involvement, stretches over a 3-year period, and faces serious challenges to its implementation without a sustained American commitment to pressure a reluctant Israeli administration.

What can the Arab states do to get Washington to implement the road map specifically and generally adjust America's strong tilt towards Israel? Using the threat of an oil embargo is too much of a double-edged weapon because of its potentially adverse impact on Gulf state economies. The more subtle threat of refraining from using excess capacity to regulate oil prices is more credible but still potentially economically self-defeating. On the other hand, Washington should remain concerned that radical Islamists could manipulate Arab anger and succeed in overturning friendly regimes in the Gulf. Radical Islamist regimes would be more willing to risk the adverse economic effects and undermine American interests in the supply of reasonably priced Gulf oil. What are the American options to forestall this outcome? Of the four most salient options, the first one of stepping down the Israeli relationship would jeopardize a strategic asset. The second option of supporting political reforms in the Middle East holds promise, but reform needs to proceed in a deliberate manner to avoid being undermined by radical Islamists. The long-term strategy of reducing American dependency on Gulf oil imports will certainly enhance U.S. energy security. Nonetheless, the most effective short-term strategy of seriously promoting Palestinian-Israeli peace represents the best option for maintaining the complex balance of American relationships in the Middle East.

ASSESSING THE IMPACT OF U.S.-ISRAELI RELATIONS ON THE ARAB WORLD

INTRODUCTION

September 11, 2001, was a clarion call for reexamination of U.S. relations with the Arab World. From an Arab perspective, the attack on the World Trade Center signified the depth of anger that Arab populations felt for U.S. support for Israel and lack of U.S. concern for the plight of the Palestinians under Israeli occupation.¹ After 9/11 moderate Arab governments earnestly hoped that the United States would rededicate itself to a resolution of the Israeli-Palestinian conflict.² Instead, the Bush administration focused on the war against terrorism and its Middle East policy called for the disarmament of Iraq and ultimately the overthrow of Saddam Hussein. For over a year-and-a-half, the United States continued to give the Sharon government a free hand in violent responses to Palestinian attacks and suicide bombing, and continued to condemn Arab support for Islamic terrorism. During this same period, Washington called for the replacement of Arafat and did little to support the peace plan of Saudi Crown Prince Abdullah.³ Although an international "Quartet" of the United States, Russia, the European Union, and the United Nations had by the summer of 2002 developed a 3-year "road map for peace" (hereafter referred to as Road Map), it was not until after the success of the invasion of Iraq and the accession of Mahmoud Abbas as Prime Minister of the Palestinian Authority that the United States agreed to the publication of the Road Map on April 30, 2003. For the first time in over 2 years, there was a prospect of real U.S. engagement in restoring the peace process.⁴

The publication of the Road Map raises a number of questions that assess U.S. relations with Israel and with the Arab World. How seriously will the United States be willing to implement the peace process and apply pressures on a hard-line Israeli government to comply with the Road Map? Or will Washington refrain from readjusting the American tilt towards Israel and relinquish its role as the only serious progenitor of Middle East peace in the eyes of

the Arab World? What options are available to America's friends in the Arab World to persuade Washington not only to prove itself willing to implement the Road Map, but to generally restore balance to America's relations with Israel and the Arab states?

These are obviously difficult issues because, from the perspective of the current administration, the United States should provide strong support for Israel, its reliable, strategic ally in a turbulent region. Israel is viewed as an ally with shared democratic values, shared interests in combating radical Islamic terrorism, and shared threats from the long-term development of weapons of mass destruction (WMD) by regimes that oppose U.S. interests in the region. These same regimes are predisposed to destroy the Jewish state, a state with which previous American administrations and Israel's supporters in Congress have proclaimed a "special relationship."⁵

In the Arab world, Ba'thist regimes that have been hostile to the United States have coexisted with moderate regimes in Egypt, Jordan, and the Gulf Cooperation Council (GCC) states that are friendly to the United States. Despite their diverging orientations towards the United States, the Arab states share a common perception of an aggressive Israeli state, ruthlessly repressing the rights to self-determination of the Palestinian population, prepared to engage in preemptive military strikes, protected by its own superior nuclear capability and proven conventional force superiority.⁶ Hence, the Arab world perceives this "special relationship" between the United States and Israel, particularly during times of tension in the Middle East, as encouraging their worst fears concerning the regional ambitions of Israel.

Should the United States therefore be concerned that American relations with the friendly Arab states of the Middle East could seriously deteriorate because of America's special relationship with Israel, a state with potential for regional predominance? If so, could such deterioration ultimately translate into a concerted Arab opposition to America's pursuit of its national interests in the Middle East?

Indeed, does the depth of Arab anger at the U.S. relationship with Israel indicate a more profound concern, Arab alarm over American predominance in the region?⁷ Put more baldly, even if Israel did not

exist, or even if it did exist but the United States did not support it, would there still be a serious Arab fear over America's hegemonic ambitions in the Middle East?

Arab fears of American hegemony have certainly heightened after the invasion of Iraq and overthrow of the Saddam Hussein regime. Notwithstanding the purity of American motives in liberating Iraqis from the tyrannical regime of Saddam Hussein and relieving the international community of the threats from Iraq's potential WMD capability, the longer American forces occupy Iraq and American administrators superintend its government, the greater the conviction of Arab populations that the true American motives were for imperialistic control over Iraqi oil, and the greater the fears of Arab regimes of the instability that may result from American persistence in imposing democracy in Iraq. Could not these fears of American predominance, with pressure from their angry anti-U.S. Arab populations, align America's Arab allies with America's Arab enemies and Iran to oppose the United States and stymie its pursuit of U.S. national interests in the Middle East? Even without the hostility of Arab populations towards Israel, sufficient hostility may exist towards the United States itself, stoked by radical Islamists, to change the perceptions of the friendly Arab regimes concerning American benevolence into American malevolence.

Alternatively, is it reasonable for the United States to believe that, notwithstanding American actions in Iraq, Washington's relations with the moderate Arab regimes are sufficiently stable and their underlying need for U.S assistance with their own national security sufficiently established, that the United States will be able to withstand Arab anger and check any Arab world opposition to the United States and its Israeli relationship? Reinforcing this thinking may be the hope that instituting political reforms by some Arab rulers themselves may help stabilize their regimes, coopt their democratic reformers, and isolate their more radical Islamic opposition.

In sum, what are the realities underlying the contrasting perceptions of the United States, Israel, and the U.S.-Israeli relationship that drive foreign policy decisionmaking in Washington, Tel Aviv, and the friendly Arab capitals?

Let us begin the analysis of the realities by examining the

Realpolitik of the national interests of the United States, Israel, and the GCC states, whose oil resources play a key role in U.S. policymaking for the region. We will see that American national interests in the Middle East are not always congruent and are often contradictory. As a result, the pursuit of American national interests in the region requires a complex balancing of its Middle East foreign policies as well as of its relations with Arab allies and of its special relationship with Israel. Miscalculation by the United States as to the weighting of this complex balance can indeed result in misperceptions of U.S. intentions by friendly Arab regimes. These misperceptions put at risk the achievement of U.S. national interests in the Middle East.

American, Gulf Arab, and Israeli National Interests in the Middle East.

The Primary Interest of the United States in the Security of Oil/GCC States. What then are the U.S. national interests in the Middle East? The two oft-cited American interests in the region after the end of the Cold War are the security of oil supplies and the security of Israel.⁸ The primary American national interest is to secure U.S. access and that of its Western allies to oil supplies in the Gulf at reasonable prices. Hence the United States has an interest in protecting the security of the GCC states that are major sources of such oil supplies. This interest coincides with the interests of the GCC states themselves in increasing their national security in this turbulent region. In the past 30 years or so, the GCC states have been threatened by spillover from the conflicts between Iraq and Iran, numerous border disputes among themselves, the Iranian seizure of three Gulf islands, Iranian promotion of subversion within Gulf states, religious dissension within Bahrain and the Eastern Province of Saudi Arabia, the Iraqi invasion of Kuwait, Iraqi revanchism, and confrontations since the Gulf War.⁹

It is difficult to assess the long-term implications for GCC security of the U.S. occupation of Iraq and the possibility of maintaining a sizable American force in Iraq for a prolonged period. Even with the complete disarmament of any WMD found in Iraq, a lingering fear will remain that, at some point, an anti-American regime in Baghdad

could restore its WMD capabilities. Even if Washington succeeds in introducing a legitimate, broadly supported, post-Saddam regime, a concern remains over support for various Iraqi factions by Iraq's neighbors, Syria, Turkey, and Iran, as well as the possibility of the restoration of an autocratic regime promising to keep order among Iraq's diverse and restive ethnic and religious populations. On the other hand, while U.S. forces remain in Iraq, they support the U.S. policy of containment of Iran. The GCC states are the tacit beneficiaries of this policy, particularly after the American removal of Iraq itself as a major military power and a deterrent to a potentially aggressive Iran.

The National Security Interests of the GCC States. What, then, threatens the national security of the GCC states?¹⁰ The threats are external and internal. Externally, the GCC states have felt threatened by either Iran or Iraq achieving local predominance. The Gulf monarchies helped to finance the Iraqi invasion of Iran in 1980 to thwart the perceived revolutionary ambitions in the region of the new Islamic Republican regime. A decade later they helped to finance the allied opposition to the Iraqi invasion of Kuwait to thwart the hegemonic ambitions of Saddam Hussein. Another decade or so later, the Gulf monarchies have supported to varying degrees the U.S. confrontation with Iraq.

What of the domestic threats to the national security of the GCC states? Internally the GCC states feel most threatened by Islamist challenges to their political legitimacy.¹¹ There are also challenges to the legitimacy of the regimes from religious dissension by Shiite groups that are a majority in Bahrain and a minority in Saudi Arabia, albeit concentrated in its oil-rich Eastern Province. In times of economic constraints, particularly when lower oil prices reduce government revenues, the monarchies feel threatened from dissidents who can attract the segments of their citizenry that no longer benefit from the total social welfare and state employment opportunities that the regimes were able to afford in good economic times. Paradoxically, the closer the monarchical regimes of the GCC align themselves with the United States to protect themselves from external threats, the more vulnerable they become to these domestic threats and the less secure the regimes.

Israel. Israel's perceptions of its own national security threats are weighted heavily towards a strategic and military calculus. Israel's experience with the Arab world since its war of independence in 1947-48 has been unremitting hostility punctuated by wars and terrorist attacks. This hostility has been interrupted by quiet on its western flank since the 1979 Camp David Accords, by the cold peace with Egypt, and since the 1994 peace treaty with Jordan, quiet on its eastern flank. Quiet without a peace treaty also has existed on Israel's northern border with Syria—but not its northern border with Lebanon. However, espousals of intentions to eliminate the “Zionist state” by the so-called “rejectionist” states, primarily Iran and Syria (and previously Iraq), and their development of WMD, which may have a range of delivery systems from terrorists to missiles, have stimulated Israel's existential need to continue developing WMD to enhance its deterrent capability, as well as the Arrow anti-missile system that it has jointly developed with the United States.¹² Concern over the growing military capabilities of the rejectionist states also stimulates Israel's desire for technologically advanced conventional weaponry to offset the conventional superiority of the combined forces of its regional Arab and Iranian enemies.

However, less visible and more complex nonmilitary threats to Israel's national security go underemphasized in this strategic and military calculus.¹³ Paying for a strong defense puts a substantial strain on the Israeli economy. The economy is challenged to overcome the lack of natural resources such as water, and must expend valuable financial resources for the generation of desalinated water or to purchase water from Turkey.¹⁴ Moreover, Israel lacks its own secure sources of energy, gas and oil supplies that are critical for its developing economy.¹⁵ For all these reasons, Israel looks to its close U.S. alliance for strategic and military assistance, as well as for economic assistance that is indispensable for its national security.¹⁶

In addition, American assistance provides no solution for more subtle domestic threats to Israel's national security. These arise from the risks of religious and ethnic dissension. Israel is a self-proclaimed “Jewish state.” That has led to differences of opinion by orthodox Jews within Israel and between large segments of Israeli and American Jews over the definition of “Who is a Jew?”

More problematic is the relationship between the majority Jewish community in Israel with the large minority of Palestinians who are citizens of Israel.¹⁷ In addition to this problem of discrimination against the Palestinian citizenry within Israel, the potential for radical Islamization within that citizenry exists.¹⁸ During both Intifadas, incidents of protest and violence have involved Palestinian citizens of Israel, contributing to the militancy of extremist members of both the Israeli and Palestinian Israeli community. Ethnic and religious strife challenges the regime's ability to maintain civil order and to sustain democratic values within the political community. Ethnic and religious extremism among both Jewish and Palestinian Israelis poses challenges to the political legitimacy of the Israeli regime. Moreover, heavy-handed Israeli governmental responses to Palestinian-Israeli protests and reports of pervasive discrimination against Palestinian-Israelis compound the "human rights" violation record from Israel's occupation of the West Bank and Gaza and undermine the sense of shared values of democracy and pluralism upon which the special relationship with the United States is built.

U.S. Interest in Israel's National Security. Notwithstanding this special relationship, however problematic, why in a *Realpolitik* world does the United States continue to declare that Israel's national security is a U.S. national interest in the Middle East? In the Cold War, the answer was easier: Israel was a pro-Western ally in the containment of Communism that sought to expand into the Middle East through Soviet alignments with Arab nationalists in Egypt, Syria, and Iraq.¹⁹ Since the Cold War, strategic cooperation with Israel has provided the United States with shared intelligence on Arab terrorism, forward staging of military supplies, shared technological development of weapons systems, and a like-minded ally upon which the United States may depend.²⁰

The problem for the United States is that its two critical national interests in the Middle East—securing access to oil supplies and securing Israel—are at cross purposes whenever the U.S. allies in the region, Israel and the moderate Arab states, are at odds with each other.²¹ This contradiction has created a dilemma for the United States as well as for its Middle Eastern allies that look to it for assistance in the protection of their national security. To try to

resolve this multilateral dilemma, Washington and its allies have in the past engaged in the complex process of balancing those interests—and not always with success.²² We can appreciate this from a quick review of U.S. relations with each of its Middle Eastern allies, starting with Israel.

U.S. RELATIONS WITH ISRAEL AND THE MODERATE ARAB STATES

U.S. Relations with Israel: From Balance to Tilt.

In the past, American attempts to balance its Israeli relationship have produced somewhat of a seesaw effect. As is well-known, the early relationship between the United States and Israel was hardly a close one, but over a number of American administrations, it grew into the special and strategic relationship that we observe today. In part, American constraints on developing strategic cooperation with Israel arose from concern over their implications for the superpower conflict in the Cold War. In part they arose over complications for U.S. relations with the Arab world. President Eisenhower, for example, opposed Israel's 1956 Sinai campaign because of the potential escalation of Soviet threats and concern that the United States would lose influence in the increasingly Arab nationalist Middle East if it was perceived as supporting the colonialist ambitions of Britain and France with which Israel was allied.

The principal methods that the United States has used to balance its Israeli and Arab relations over the years have been regulating arms sales, restraining Israel during wartime, and promoting attempts to mediate the Arab-Israeli conflict. With respect to achieving balance through arms sales, during the early years of the U.S.—Israeli relationship, and particularly after Israel convincingly proved its military superiority over its Arab neighbors in 1948, the United States refrained from providing major arms supplies to the new Jewish state.²³ This policy changed after the Jordanian crisis in 1970-71 when the United States began to view Israel as a strategic asset and, from rearming Israel, was part of a concerted effort to contain Communist expansion in the Middle East.²⁴

The American policy of combining arms sales and restraining Israel was demonstrated during the 1973 Yom Kippur war. Nixon and Kissinger organized a substantial resupply of weapons to Israel, but only after Arab armies had made a strong showing on the battlefield. At the same time, President Nixon prevented Israel from humiliating Egypt by destroying its Third Army. It was therefore some surprise to the Nixon administration that, in retaliation for the U.S. rearming of Israel, Saudi Arabia organized the Arab oil embargo in October 1973 against the United States.

The U.S. need to restrain the Israelis to balance its relations with the Arab states was also evident in the 1982 Israeli invasion of Lebanon. President Reagan compelled Israel to allow the Palestine Liberation Organization (PLO) leadership and its remaining forces to evacuate from Beirut. As a final example, President George H. W. Bush persuaded the Israelis not to retaliate against Iraq after Israel was hit with Scud missiles during the 1991 Gulf War.

With respect to U.S. attempts to balance its Middle East relationships by promoting measures to end the Arab-Israeli conflict, Washington used this policy in the Cold War years to improve America's image in the Arab world and to limit Soviet influence in the Middle East. For example, immediately after Israel's decisive victory over its Arab opponents in the June 1967 war, President Johnson made a speech proposing principles of peace, then engaged U.S. Ambassador to the UN Arthur Goldberg in drafting Security Council Resolution 242 which passed in November 1967.²⁵ President Nixon engaged in major power discussions of a settlement in 1969 and authorized Secretary of State Rogers' Plan for a settlement. Seeking to end the 1973 War, Henry Kissinger engineered UN Security Council Resolution 338 in October 1973, reaffirming Resolution 242 and authorizing direct negotiations between the parties.²⁶ After the 1973 War, Kissinger engaged in shuttle diplomacy to negotiate ceasefires with all of Israel's neighbors and promoted the Geneva Peace Conference that started in December 1973.

President Carter's support of Egypt's defection from the circle of the Soviet Union's Arab clients by U.S. mediation of Egypt's peace treaty with Israel at Camp David and by the U.S. supply of military and economic assistance to Egypt was a Cold War victory. However,

it complicated U.S. relations with other moderate Arab regimes. Although the Carter administration attempted to demonstrate even-handedness in its relations with the Arab world by linking the Camp David accords to a resolution of the Palestinian conflict, the Arab world excommunicated Egypt for its separate peace with Israel.²⁷ The anti-American sentiment that the peace treaty generated gave the Gulf oil producers an ideological incentive not to cushion the American economy from oil shocks in 1979 resulting from the Khomeini Revolution in Iran.

The Reagan administration attempted to balance its Middle East policy by advocating a strategic consensus among America's Israeli and Arab allies. Reagan condemned Israel's preemptive Osiraq strike and de facto annexation of the Golan Heights. The administration also ignored Israeli objections to American sales of airborne warning and control systems (AWACs) and F-15 fighters with extended fuel capacity to Saudi Arabia. Nonetheless, the Reagan administration did treat Israel as a strategic asset against Communist expansion, and for that reason initiated a program of strategic cooperation with Israel involving substantial military and economic assistance. In doing so, the United States was calculating on little resistance from its allies in the Gulf. They also needed American security assistance in the face of Communist expansion after the Soviet Afghan invasion and in the event of Iranian aggression that might not be checked by Iraq's invasion of Iran.

While maintaining the close relationship with Israel through military and economic assistance and joint strategic planning, the first Bush administration also attempted to restore the balance in U.S. relations with its Arab allies by promoting the peace process to resolve the Palestinian-Israeli conflict. In this, the United States had the advantage of the implosion of the Soviet superpower and the U.S. role as savior of the Arab Gulf from Iraqi predominance in 1990-91 with Arab (i.e., Egyptian and Syrian) allies. The United States also had the advantage of the GCC states' suspension of support for the Palestinians who, under Arafat, cheered for Iraqi victory in the 1990-91 Gulf War.

Notwithstanding the development of the close and special relationship between Israel and the United States, the occasional

seesawing has assisted in balancing U.S. relations with friendly Arab states. Thus, various U.S. administrations have engaged in some dozen or so delays and blockages of aid to Israel when they have objected to Israeli policies, such as Israel's refusal to implement withdrawals from the Occupied Territories, engagement in human rights violations in Lebanon and in response to the first Intifada, and its continuation of building settlements in the West Bank and Gaza.²⁸

The problem from Israel's perspective is that the substantial military and economic assistance it receives from the United States also gives Washington leverage over it. Tel Aviv has become wary over developing a dependency on the United States.²⁹ U.S.-Israeli friction has also ensued over America's attempt to maintain balanced relations with its Arab friends. Nevertheless, Israel continues to benefit directly from the dozen or so agreements that have established the basis for its special relationship, and particularly its military cooperation with the United States since 1970.³⁰ Under the current Bush administration, the relationship continues to emphasize strategic cooperation, including joint weapons production, joint strategic planning, joint military exercises, intelligence sharing, and substantial military assistance. On the economic front, the United States still supplies substantial military and economic assistance to Israel and Israel continues to receive favorable trade treatment through the Free Trade Area Agreement of 1985.³¹ Diplomatically, the United States generally protects Israel against condemnation in the United Nations. Domestically, the Israel lobby, the American Israel Public Affairs Committee (AIPAC), is still active in Washington.

Israel has also benefited indirectly from other policies of the United States in the Middle East. These have included the "dual containment" policy that the United States has maintained against Iraq and Iran, designed to retard, and in Iraq's case eliminate, long-term development of WMD. The U.S. war with Iraq in 2003 has emasculated Iraq's ability to threaten its neighbors, including Israel. The United States supplies substantial economic and military assistance to Egypt, principally to bolster Egypt's incentives to maintain the peace treaty with Israel.³² A similar policy underscores U.S. support for Jordan: U.S. economic and military assistance

to Jordan encourages a closer Jordanian-Israeli relationship.³³ Furthermore, America's post-9/11 policy of rooting out Islamist terrorism globally gives added legitimacy, at least in the view of the Sharon administration, to his policies of violent responses to Palestinian suicide bombings within Israel and attacks in the Occupied Territories.

U.S. Security Relationships with Moderate Arab States.

Given this strong and multidimensional relationship that the United States has developed with Israel, to what extent does the United States need to balance it with maintaining good relations with Arab states, most of whose populations remain hostile to Israel and the U.S alliance? Is the dependency of America's Arab allies on U.S. commitments to their national security sufficiently rooted so that, in tilting the balance in favor of Israel, the United States does not have to worry about jeopardizing its primary interest in the Middle East, the securing of Western access to oil? Let us quickly review the bilateral security relationships between the United States and its Arab allies.

Saudi Arabia. Maintaining a balance by the United States in its relations with the Kingdom of Saudi Arabia has in the past created the same seesaw effect as with its relations with Israel. Thus, the low point was the Saudi coordination of the Arab oil embargo against the United States in 1973-74; and the high point was the introduction of large numbers of U.S. ground forces into the Kingdom as part of the DESERT STORM campaign to oust the Iraqis from Kuwait. The Gulf War of 1990-91 was a clear demonstration of the U.S. commitment to the security of Saudi Arabia—in this instance from threats of Iraqi aggression. After the Gulf War, the Saudis tacitly benefited from the U.S. policy of the “dual containment” of Iraq and Iran. The Kingdom actively assisted in the containment of Iraq by permitting U.S. and U.K. air forces to operate from Saudi bases to enforce Operation SOUTHERN WATCH to hamper Iraqi military operations in southern Iraq (from 1994-2003).³⁴ However, in the American invasion of Iraq in 2003, the Kingdom refused to allow American ground troops or air forces to use Saudi bases for launching attacks

on Iraq as in 1991, limiting their cooperation to the use of command and control facilities and indirect air force assistance.³⁵ Publicly, the Saudis did not support the forcible overthrow of Saddam Hussein and remain concerned about the broader implications of American nation-building in Iraq.³⁶

Moreover, the Saudis will harbor a concern that a reunited Iraq may revive plans for aggression in the future. Similarly, if post-Saddam Iraq is checked, there is always a risk that Iran may escalate its military or political influence in the area and seek to dominate the Gulf. In the past Iran has fomented subversion within the Shia populations of Bahrain and the Saudi Eastern Province, and has taken more direct military action as in its seizure of the Gulf Islands of Abu Musa and the Tunbs in 1971.³⁷ In the future, it is expected that Iran will develop WMD, particularly a nuclear weapons capability.³⁸ Although Iran's strategic rationale may be fear of WMD in Iraq or Israel, the effects are a direct threat to the Saudis and other GCC states. Thus, viewed over the long term, threats to Saudi national security from a conventional weapons arms race and WMD development by a potentially aggressive Iraq or Iran remain realistic. The Saudis will still need a firm U.S. alignment to provide advanced weaponry as well as declarations of support to deter or defend against such threats.

However, there cannot be as close strategic cooperation between Saudi Arabia and the United States, as between the United States and Israel. This is because of the inherent problem of Saudi sensitivity to its alignment with the United States and the internal criticism this generates, particularly from having what some Saudi Islamists call "infidel" forces on its soil. The vocal critics include not only radical Islamic terrorists such as Al Qaeda but also other Islamist opponents of the regime.³⁹ The United States has helped the Saudis try to dampen some of this criticism by withdrawing the bulk of American military personnel from the Kingdom.⁴⁰ Still, Islamist opposition groups reinforce the antipathy to Israel expressed by the regime in the past. The Palestinian-Israeli peace plan that Crown Prince Abdullah promoted at the Arab League in March 2002 and attempted to sell to the Bush administration was therefore a major step in balancing the regime's fear of this domestic backlash and the

need to maintain a strong alignment with the United States. The Prince's peace plan was in part a response to the internal criticism of the regime for not reacting strongly enough to the plight of the Palestinians to try to stop the harsh Israeli military actions in the West Bank and Gaza.

Furthermore, the Saudis need to participate in the peace process to maintain leverage over any Palestinian decisions concerning the fate of Jerusalem. The Saudi monarchy, which crowns its political legitimacy as Guardian of the two most holy Islamic sites of Mecca and Medina, has an interest in the third holy place of the Haram al Sharif in Jerusalem. As a result, when the Bush administration appeared to politely shelve the Abdullah peace plan and then tussled with Riyadh over the suppression of Al Qaeda, the seesaw appeared to tip in the other direction.

Balancing the U.S. relationship with the Kingdom is, therefore, a delicate diplomatic exercise. It is also a delicate economic exercise. Saudi Arabia is a significant supplier of the oil that the United States imports, and because of its "swing producer" status, the Kingdom can use its excess capacity to maintain reasonable prices for the sale of oil to the United States.⁴¹ On the other hand, Saudi Arabia must keep oil prices high enough to control government deficits generally and to maintain social welfare programs specifically—to avoid stimulating social unrest.⁴² Depending upon the global economy, the United States has become a significant destination for the investment of a substantial amount of the private and public wealth of the Kingdom. Nonetheless, the Saudis have various choices other than the United States for safeguarding their wealth—and there are no barriers to the Saudi withdrawal of investments from the United States.⁴³ On the other hand, the Kingdom has few choices for where it can turn for significant strategic cooperation and therefore still relies on the United States as the sole global superpower for its security assistance.

Kuwait and the Other GCC States. Kuwait and the other smaller GCC states (Bahrain, Qatar, the United Arab Emirates [UAE], and Oman) have less sensitivity than do the Saudis to the maintenance of a U.S. military presence in their states and hence a stronger security dependency on the global superpower.⁴⁴ In the mid-

1990s, Kuwait and the smaller GCC states entered into a number of long-term defense arrangements with the United States and the United Kingdom for base facilities, training, and prepositioning of equipment.⁴⁵ Certainly Kuwait has a vital need for the U.S. alliance to protect it from long-term Iraqi revanchism and the reluctance of Iraqi hard-liners to renounce their Ottoman-based claims to Kuwait.⁴⁶ During the early halcyon years of the Israeli-Palestinian peace process, Qatar and Oman demonstrated their independence from the Saudi anti-Zionist position by engaging in limited economic relations with Israel.⁴⁷ Even after the waning of the peace process and despite its shared Wahhabi traditions with the Saudis, Qatar has irked the Saudis with some of its political moves, such as allowing Al-Jazeera's broadcasts. And Qatar's new constitution demonstrates a more assertive approach to political reforms than has been evident in Saudi Arabia. On the other hand, these smaller monarchies still benefit from shared monarchical values and economic ties, as well as some defense coordination afforded by the GCC which is dominated by Saudi Arabia. It is therefore difficult for them to disagree openly with their larger neighbor on significant security issues. Nonetheless, Qatar has became the rival location for headquartering the U.S. Army Central Command for the U.S. invasion of Iraq, which is now directing air operations in the region from the Al Udeid air base in Qatar.⁴⁸ Generally, however, the smaller GCC states will need to balance their relationships with their larger neighbor and with the United States if Saudi-U.S. interests diverge.⁴⁹

Egypt. Egypt, although a modest oil and gas producer, still suffers from severe economic problems related to its overpopulation, limited resources, and bureaucratic inefficiencies. Even though the 1979 peace treaty with Israel relieved Egypt of its burden of diverting economic resources into a military establishment that can challenge Israel, and even though Egypt sells oil to Israel as agreed in the Camp David Accords, as well as gas as agreed to later, it has not sought to expand other potential economic relationships with Israel such as tourism and private commercial joint ventures. On the other hand, the regime in Egypt faces serious internal security challenges to its political legitimacy from political Islamists, primarily the Muslim Brotherhood, as well as more radical Islamists who have resorted

to violence.⁵⁰ Egypt therefore looks to U.S. military and economic assistance to buttress it against economic crises that can spiral into social crises and give the politically mobilized Islamists greater opportunity to challenge the regime.⁵¹

At the same time, Egypt seeks to exercise leadership in the corridors of power within the Arab world and in Washington as an advocate of Arab causes. This enables Cairo to capture Washington's diplomatic attention. Egypt also gains note in American defense planning because of its strategic asset status: Cairo can facilitate American power projections into the Middle East through overflight permission, the use of the Suez Canal, and for prepositioning of equipment.⁵² On the other hand, Egypt's claims to primacy in the Arab world at times put it into competition with the other staunch U.S. Arab ally, Saudi Arabia, as seen in Egypt's lukewarm reactions to Prince Abdullah's peace plan.⁵³ In pursuing this leadership role, Egypt positions itself as a mediator of crises caused by the breakdown of relationships between the United States and other Arab states, such as Syria. It has also been a vociferous opponent of WMD in the Middle East. This is a position that resonates within the Arab world as opposing Israeli nuclear domination, while at the same time it is consonant with Washington's policy of opposing the development of WMD by Iraq and Iran.

Could Egypt, therefore, dispense with American security assistance? This is difficult to assess. One suspects it could do so only with the support of other Arab states, particularly those of the GCC that are wealthy enough to provide replacement subsidies.⁵⁴

Jordan. Jordan has faced external security challenges from its larger neighbors, particularly the dreamers of a Greater Syria in Damascus. From the perspective of strategic planning, Jordan has also been concerned about an aggressive Iraq; however, the extent of those concerns in the future depend upon developments after the restoration of a legitimate Iraqi regime following the U.S. invasion. Generally, Amman and Baghdad have maintained a substantial trading relationship, which Jordan would hope to increase as Iraq is rebuilt.⁵⁵ On the other hand, Israeli extremists have at times proposed turning Jordan into a Palestinian state by expelling West Bank Palestinians into Jordan. However, from the perspective of rational strategic planners in Tel Aviv, a friendly Jordan is valuable as a

buffer that could give Israel additional time to defend itself against a conventional ground force threat from Iraq. Jordan therefore has tacitly maintained good relations with Israel.

In addition, Jordan, like Egypt, faces domestic security challenges arising from at least three sources: its vulnerability to economic crises because of its limited economic resources; its large Palestinian population that can be mobilized by the ravages of the Israeli-Palestinian conflict; and radical Islamist challenges to its political legitimacy.⁵⁶

Since the Gulf War, when Jordan earned reprobation for its unwillingness to join the Western and Arab coalition against the Iraqis, Jordan has sought to repair its relationships with the West by providing strategic cooperation to the United States. Jordan, for example, has participated in military exercises with the United States and observed joint military exercises of the United States, Israel, and Turkey.⁵⁷ It also cooperated with the United States in the war with Iraq in 2003.⁵⁸

While there are no direct guarantees of Jordanian security, Jordan's value as a moderate, pro-Western Arab state provides implicit assurances that Israel, with U.S. support, would continue to protect the regime from Syrian or Iraqi invasion, as it appeared ready to do in 1970.⁵⁹ In any event, it is unlikely that the regime could dispense with security assistance from the United States.

IMPLICATIONS OF THE TILTING TOWARDS ISRAEL FOR U.S. POLICYMAKING IN THE MIDDLE EAST

Washington could too easily conclude from the apparent dependency of moderate Arab states on U.S. security assistance that the United States does not need to readjust its tilt toward a strong U.S.-Israeli alliance for it to maintain the complex balancing process required to pursue American national interests in the Middle East. On the other hand, this is clearly not the perception in Arab capitals. What could America's Arab friends do, however, to induce the United States to balance its relations in the Middle East?

Let us consider three potential levers in the hands of America's Arab allies. The first and most extreme means to apply pressure

on the United States would be for moderate Arab regimes to join America's Arab enemies (and Iran) and impose an oil embargo against the United States and its Western allies, akin to the embargo of 1973.⁶⁰ This is hardly likely to be successful, however, 30 years later. The disastrous economic consequences of the oil embargo of 1973 (as well as the oil shocks of 1979) affected not only oil consumers but also Arab oil producers. As a result, Arab OPEC members would be reluctant to threaten an embargo as a credible tool of political persuasion or protest.⁶¹ Moreover, the U.S. occupation of Iraq in 2003 would interfere with some of the solidarity needed by all Arab oil producers for an effective embargo. With increased globalization of the world economies, there would be even more reason to believe that another Arab oil embargo would seriously damage world economies. This, in turn, would adversely impact the foreign investments of Arab oil producers and their own foreign trade, including trade with the United States.⁶² Moreover, as in 1973, if an embargo boosts oil prices over a sustained period, this would stimulate increased investment in non-Arab producers with large reserves, such as Russia and Canada, as well as the development of alternative energy sources, thereby decreasing the long-term demand for Arab oil. Ultimately, the effects of an Arab oil embargo could come back to damage the Arab state's own economies in the long term. This would result in destabilization similar to the anti-American backlash that the embargo was seeking to avoid.

On the other hand, if a total embargo is too blunt a weapon, Arab oil producers could take a second less forceful course of action. They could ratchet up oil prices by refusing to use their excess capacity to cushion the oil shocks that could result from conflict or instability in the Middle East.⁶³ This squeeze on oil prices might produce more controllable economic damage. On the other hand, escalating prices may also produce an uncontrollable panic in the oil markets, rapid depletions of strategic oil reserves, and trigger other economic disasters.⁶⁴ As discussed earlier, these disasters will affect the wealth that Arab oil producers have invested outside of the Middle East. The uncertainties involved in applying such economic pressures and the potentially hostile reactions by the United States and its Western allies might, therefore, constrain the use of this weapon by the

friendly Arab regimes. They are trapped in the dilemma of trying to balance their need for U.S. and Western support for their national security with appeasing the strong antipathy of their populations to the United States.

The third course of action by moderate Arab states might be to convince American policymakers of the real risk of radical regime change in the Arab world. The moderate Arab regimes' failure to oppose unpopular American policies in the Middle East presents as serious risk to regime survival as would an embargo or oil price squeeze. Regime paralysis could catalyze radical Islamist opposition forces into fomenting civil strife, revolution, or other instability in the Gulf monarchies. If new radical Islamist regimes were to emerge as a result, they would rupture relations with the United States, as did Iran in 1979. Moreover, the new regimes would boldly discard their U.S. security assistance and seek to form their own ideologically based coalition to oppose the U.S.-Israel alliance. With popular support, they would not hesitate to place impediments in the way of the U.S. pursuit of its interests in securing access to oil at reasonable prices.

AMERICAN POLICY OPTIONS

What options, then, should U.S. policymakers consider to dampen the hostility of Arab populations to the U.S.-Israeli relationship and prevent a Gulf conflagration in which U.S. interests would be jeopardized? There are essentially four choices.

1. *Step Down the Israeli Relationship.* One option would be for the United States to visibly ratchet down its Israeli alliance. There are many ways to accomplish this, including reducing the level of military and economic assistance, as in the Carter days. Alternatively, the United States could remove the "special" element in the relationship so that it returns to a lukewarm alignment as in the Eisenhower time. This would not be prudent, however, because Israel constitutes a strategic and reliable ally in an unstable region. Nor would this more radical step-down be popular in the United States where Israel receives support not only from its Jewish population, but also from

America's politically active evangelical movement and religious conservatives.⁶⁵ Moreover, there might be residual suspicion among Arab states that any de-escalation of the U.S. national interest in Israel's security will not stick, and re-escalation of the U.S.-Israeli alliance would rapidly occur in the next Middle East crisis.

2. *Promote Political Reforms.* A long-term strategy sometimes advocated in U.S. policymaking and academic circles would be to pressure each of the states of the Middle East to embark on more active political reform, ultimately transitioning to democracy.⁶⁶ The proponents of this policy postulate that increased political participation in the Arab states of the Middle East would discourage extremism and defuse anti-American sentiment now directed at the United States for helping to prop up oppressive autocratic Arab regimes.⁶⁷ This strategy involves diplomatic advocacy and pressuring the states of the region to inculcate civil societies, to implement economic reforms that would open their economies to competition, and, in the case of the Gulf monarchies, that would transform rentier states into market economies.⁶⁸ However, the regimes would resent the interference in their internal affairs and would most likely resist the pressure to democratize themselves out of existence.⁶⁹ On the other hand, many of the states of the region, including the Gulf monarchies, have been willing to move gradually towards some democratization with a variety of measures, such as consultative councils, that are more representative of the population.⁷⁰ They will also watch with some anxiety the fate of America's nation-building efforts in Iraq after the overthrow of Saddam Hussein to see if democracy can take root there and overcome the ethnic and religious factionalism that threatens civil strife. The regimes would still argue that complete democratization is dangerous and might backfire, as in Algeria, with the risk that radical Islamists would gain power by constitutional means.⁷¹ To embrace this option, therefore, requires long-term, deliberate, and thorough planning.

3. *Reduce U.S. Dependency on Gulf Oil.* A long run strategy that would enhance the other policy options would be for the United States to reduce its dependency on Gulf oil.⁷² Investing in non-Gulf oil production, such as in Russia and the former states of the Soviet

Union, developing alternative energy sources, stimulating lower fuel consumption by automotive vehicles, and promoting energy conservation in general, are among the many ways in which the United States could implement this policy. It typically requires an oil shock and surge in oil prices before there is sufficient leverage to overcome the political and diplomatic barriers to adopting this policy. Furthermore, depending upon the increase in global demand for oil, reducing U.S. oil imports from the Gulf might also adversely affect the economies of the Gulf states. In that event, the Gulf states might face potential popular disaffection from decreasing social welfare benefits.

4. *Promote Arab-Israeli Peace.* A highly complex option with a more immediate impact that will enable the United States to balance its national interests in securing oil supplies and assuring Israel's security would be to promote Arab-Israeli peace, starting with a resolution of the Palestinian-Israeli conflict. The Bush administration clearly hopes that the Road Map, by holding out the serious prospect of an end to Israeli occupation of the West Bank and Gaza and the promise of a sovereign Palestinian state, will take the sting out of Arab anger towards the United States over the plight of the Palestinians. It remains to be seen, however, how steadfastly the United States will follow this plan.

Implementing this option faces huge, but not insurmountable, obstacles.⁷³ Not the least of these is the need to convince the Israeli government that it can negotiate a peace agreement while suffering terrorist attacks without demonstrating weakness. Fundamentally, it is necessary for the United States to persuade the Israeli right wing that a just peace would be a worthy compromise that would contribute to Israel's long-term national security.⁷⁴ It may be just as difficult to persuade the Palestinians to accept the certain internal criticism of having to make the concessions needed for a final settlement, such as compromises on the right of Palestinian refugees to return to Israel proper. Moreover, any Arab regime that endorses a potential peace agreement that recognizes Israel's right to exist within secure borders will continue to be challenged by die-hard

militant Islamists.⁷⁵ Nevertheless, at this juncture, only the United States has the political clout with all parties to enable Israel and the Palestinians to make the necessary compromises for peace.

If there is a successful peace process that resolves the final status issues with the Palestinians, this would be a tremendous boost for the resolution of territorial and water issues with Syria, and normalization of relations with the more moderate Arab states, as offered in the Abdullah peace plan.

Furthermore, the United States would need to remain involved with the implementation of a just peace that would provide the Palestinians with sovereignty and the Israelis with no lesser sense of security.⁷⁶ The United States, along with other Middle East states, can provide the financial wherewithal to enable the Palestinians to create a viable economy and enable other regional Arab states to overcome their suspicions that the economic "peace dividends" will help the Israelis more than the Arabs.⁷⁷

CONCLUSION

The fundamental problem of the close U.S.-Israeli alliance for the moderate Arab states is that, at times of conflict between Israel and an Arab country (or in this instance, during the Intifada involving a proto-Palestinian state), it is very difficult for moderate Arab states to sustain their alignment with the United States which they need for their own external national security, and at the same time maintain their domestic political legitimacy in the face of popular hostility to Israel and the United States. It therefore makes no sense for any U.S. administration to tilt so much towards Israel that it risks compromising the U.S. national interest in securing access to reasonably priced Gulf oil by furthering that hostility and increasing the chances that radical Islamists may come to power in one or more GCC states. All of the principal options for the United States to consider in resolving this dilemma carry substantial risks and costs. The option of stepping down the U.S. relationship with Israel jeopardizes a strategic asset. The long-term option of supporting political reforms in the Middle East holds promise but requires implementation in a deliberate manner to avoid being undermined

by radical Islamists. Certainly reducing American dependency on Gulf oil imports will, over the long run, enhance U.S. energy security. Nevertheless, it is necessary for the United States to restore a balanced Middle East policy of supporting Israeli security while maintaining good relations with the moderate Arab states. To do this, the United States needs to engage in a determined effort to implement the Road Map and achieve a fair and effective Palestinian-Israeli peace.

ENDNOTES

1. Jane Perlez, "Anger at U.S. Said to Be at New High," *New York Times*, September 11, 2002, p. A23. The anti-American motives of the attackers of the World Trade Center were much broader than the Palestinian-Israeli conflict. See Michael Scott Duran, "Somebody Else's Civil War," *Foreign Affairs*, Vol. 81, No. 1, January/February 2002, pp. 22-42. For the origins of Islamist antipathy to the United States, see Yvonne Yazbeck Haddad, "Islamist Perceptions of U.S. Policy in the Middle East," in David W. Lesch, ed., *The Middle East and the United States of America: A Historical and Political Assessment*, 2d. ed., Boulder: Westview Press, 1999, pp. 433-452.

2. In this monograph, I use the term "moderate" to refer to Arab states that have generally been cooperative with the West such as Egypt, Jordan, and the GCC states. See Ziad Asali, "Arab-American Perceptions of U.S. Policy Towards the Middle East," *Middle East Policy*, Vol. IX, No. 2, June 2002, pp. 33-39.

3. Graham Fuller, "The Saudi Peace Plan: How Serious?" *Middle East Policy*, Vol. IX, No. 2, June 2002, p. 20. Even though Washington and Riyadh discussed a division of responsibility that included creating a viable Palestinian security force, the Saudi plan was superceded by the road map for peace. See Patrick Tyler, "Mideast Turmoil: Diplomacy; New Strategy Set by U.S. and Saudis for Mideast Crisis," *New York Times*, May 1, 2002, p. A16.

4. James Bennet, "U.S. and Partners Present Proposal for Mideast Peace," *New York Times*, May 1, 2003, pp. 1, A7 (including the text of the Road Map). The Road Map was developed by the "Quartet": the United States, the EU, the UN, and Russia, with only indirect involvement of the Arab states. The Road Map does acknowledge the Abdullah Peace Plan in its preamble referring to it as one of the bases for ultimate resolution of the Palestinian-Israeli conflict. Moreover, the last provision of the Map looks to "Arab state acceptance of full normal relations with Israel and security for all states of the region in the context of a comprehensive Arab-Israeli peace," which is a key provision in the Abdullah Peace Plan.

5. See Bernard Reich, "The United States and Israel: The Nature of a Special

Relationship," in Lesch, ed., pp. 227-243.

6. Shlomo Brom and Yiftah Shapir, eds., *The Middle East Military Balance 2001-2002*, Cambridge: The MIT Press, 2002, pp. 87-89.

7. See Camille Mansour, *Beyond Alliance: Israel in U.S. Foreign Policy*, James A. Cohen, trans., New York: Columbia University Press, 1994, pp. 196-205. Although Mansour rejects the traditional Arab fears of American "imperialism," he sees the potential of the Israeli alliance for furthering U.S. interests in extending American influence in the region over the Arab states. The Arab states, according to Mansour, are more willing to make concessions to the United States because only the United States can restrain the Israelis, while at the same time, U.S. maintenance of Israeli military superiority fuels Arab-Israeli hostility and increases the need for such restraint. *Ibid.*, pp. 215-26.

8. During the Cold War, the primary interest was containing Communist expansion and influence in the region, which, if successful, would in turn threaten the West's oil supply.

9. This record stamps the entire region of the Middle East as "unstable" or turbulent, when compounded with the conflicts during the same period in the rest of the region: the 1973 Arab-Israeli war, the 1975-83 Lebanese civil war, the 1982 Israeli invasion of Lebanon, the 1987-93 Intifada, the Syrian-Turkish struggle 1984-1998 over Syria's support for the PKK, the Israeli-Hezbollah war in southern Lebanon, and the ongoing second Intifada.

10. For a broader definition of "national security" than the military capability emphasized in *Realpolitik* analysis, that includes political legitimacy, ethnic and religious tolerance, economic capabilities and availability of essential natural resources, see Lenore G. Martin, "Towards an Integrated Approach to National Security in the Middle East," in Lenore G. Martin, ed., *New Frontiers in Middle East Security*, New York, St. Martin's Press, 1999, pp. 3-22.

11. There may be other less widespread challenges, such as tribal rivalries and central government discrimination against tribes. See G. Gregory Gause III, *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States*, New York: Council on Foreign Relations, 1994, pp. 164-165; Madawi Al-Rasheed, "Political Legitimacy and the Production of History: The Case of Saudi Arabia," in Lenore G. Martin, *New Frontiers*, pp. 25-46.

12. See Carla Robbins and Karby Leggett, "How the U.S. Plans to Keep Israel on Sidelines of Iraq War," *Wall Street Journal*, March 3, 2003, p. 1.

13. See Lenore G. Martin, "Conceptualizing Security in the Middle East: Israel and a Palestinian State," in Tami A. Jacoby and Brent E. Sasley, eds., *Redefining*

Security in the Middle East, Manchester: Manchester University Press, 2002, pp. 20-40.

14. Negotiations over Israel's purchase of Turkish water stalled in 2002 over pricing because it appeared to be more expensive than desalinated water. Ozgur Eksi, "Manavgat Still Tests Turkish Israeli Relations," *Turkish Probe*, November 10, 2002.

15. Israel has discovered gas deposits offshore that may offer some alleviation of this problem. Avi Machliz, "Gas Discoveries," *Financial Times*, September 8, 2000, p. A7.

16. In 2000, U.S. assistance totaled approximately \$4 billion; in 2001 it dropped to approximately \$2.9 billion. The American-Israel Cooperation Enterprise, "U.S. Assistance to Israel FY1949-FY2001," http://www.us-israel.org/jsource/US-Israel/U.S._Assistance_to_Israel1.html. Economic assistance is scheduled to be phased out by 2008, while Foreign Military Financing grants are scheduled to increase by \$60 million per year to reach \$2.4 billion by 2008. William D. Hartung and Frida Berrigan, "U.S. Arms Transfers and Security Assistance to Israel," *Arms Trade Resource Center Fact Sheet*, May 6, 2002, p. 2.

17. See Nadim N. Rouhana, *Palestinian Citizens in an Ethnic Jewish State: Identities in Conflict*, New Haven: Yale University Press, 1997.

18. Alisa Rubin Peled, "Toward Autonomy? The Islamist Movement's Quest for Control of Islamic Institutions in Israel," *Middle East Journal*, Vol. 55, No. 3, Summer 2001, pp. 378-398.

19. See Bernard Reich, *Securing the Covenant: U.S.-Israel Relations After the Cold War*, Westport: Greenwood Press, 1995, pp. 37-45.

20. See Charles Lipson, "American Support for Israel: History, Sources, Limits" in Gabriel Scheffer, ed., *U.S.-Israeli Relations at the Crossroads*, Portland: Frank Cass, 1997, pp. 128-146.

21. See William Quandt, "New U.S. Policies for a New Middle East" in Lesch, pp. 426-432; Mahmood Monshipouri, "Paradoxes of U.S. Policy in the Middle East," *Middle East Policy*, Vol. IX, No. 3, September 2002, pp. 65-89.

22. Works reviewing U.S. relations with Israel over time are legion. For recent examples, see Samuel W. Lewis, "The United States and Israel: Evolution of an Unwritten Alliance," *Middle East Journal*, Vol. 53, No. 3, Summer, 1999, pp. 364-78; Robert Rabil, "The Ineffective Role of the U.S. in the U.S.-Israeli-Syrian Relationship," *Middle East Journal*, Vol. 55, No. 3, Summer, 2001, pp. 415-438.

23. Mansour, pp. 67-83; for much of this early period, France was the major source for Israel's arsenal. The change of approach began slowly in 1962 when President Kennedy authorized the sale of Hawk anti-aircraft missiles to counter Soviet aircraft supplies to its Egyptian and Syrian clients. *Ibid.*, p. 83.

24. *Ibid.*, p. 104. President Johnson had helped Israel rearm after the 1967 war by approving the sale of 50 F-4 phantoms to Israel. The major increase in arms sales to Israel occurred under President Nixon with the first long-term military supply and exchange of information agreements in 1971.

25. Yossi Melman and Dan Raviv, *Friends in Deed: Inside the U.S.-Israel Alliance*, New York: Hyperion, 1994, p. 142. The Resolution calls for Israeli withdrawal from "territories occupied in the [1967] conflict" in exchange for peace and secure boundaries, a "just settlement of the refugee problem" and freedom of navigation in international waterways.

26. David Schoenbaum, *The United States and the State of Israel*, New York: Oxford University Press, 1993, p. 206.

27. Section A of the "Camp David Framework for Peace," Walter Laqueur and Barry Rubin, eds., *The Israeli-Arab Reader*, 5th. ed., London: Penguin Books, 1995, p. 404.

28. Lipson, p. 142.

29. Prime Minister Netanyahu, for example, in 1996 proposed the reduction of U.S. aid to Israel. "Israel: U.S. Foreign Assistance," *Issue Brief for Congress*, Congressional Research Service of The Library of Congress, January 16, 2003, pp. CRS 2-3.

30. Mansour, pp. 172-173.

31. Economic assistance also includes special benefits not available to other American aid recipients such as loans without repayment obligations, assistance that enables Israel to carry prior debts to the United States, early payment of assistance funds, and use of military assistance for purchases in Israel. "Israel: U.S. Foreign Assistance," pp. CRS 8-10.

32. See Duncan L. Clarke, "U.S. Security Assistance to Egypt and Israel: Politically Untouchable?" *Middle East Journal*, Vol. 51, No. 2, Spring, 1997, pp. 200-214.

33. Jordan, for example, has a Free Trade Agreement with the United States, that commenced January 1, 2002. The United States also allowed Jordan to continue to trade with Iraq despite the UN embargo.

34. James A. Russell, "Searching for a Post-Saddam Regional Security Architecture," *Middle East Review of International Affairs (MERIA) Journal*, Vol. 7, No. 1, March 2003, pp. 4-5.

35. Craig Smith, "Reluctant Saudi Arabia Prepares its Quiet Role in the U.S.-Led War in Iraq," *New York Times*, March 20, 2003, p. A21.

36. Shafeeq Ghabra, "An Arab House, Openly Divided," *Washington Post*, March 9, 2003, p. B1.

37. See Lenore G. Martin, *The Unstable Gulf: Threats from Within*, Lexington: Lexington Books, 1984, pp. 48-50.

38. Guy Dinmore and Najmeh Bozorgmehr, "As the US prepares for war in Iraq, Iran steps up its nuclear programme. Will it become the next North Korea?" *Financial Times*, February 19, 2003, p. 13; Michael Gordon, "Inspectors View Nuclear Work at Iranian Site" *New York Times*, February 23, 2003, p. 1.

39. See Mamoun Fandy, *Saudi Arabia and the Politics of Dissent*, New York: Palgrave, 1999. The regime also has been criticized severely in Arab and Islamic meetings for its support of American confrontation with Iraq. Ghabra, note 39.

40. Eric Schmitt, "U.S. to Withdraw All Combat Units from Saudi Arabia," *New York Times*, April 30, 2003, pp. 1, A14.

41. Of U.S. oil imports, 20 percent are from Persian Gulf members of OPEC who also control an estimated 90 percent of the global excess capacity of oil. "Why the U.S. Is Still Hooked On Oil Imports" *Wall Street Journal*, March 18, 2003, p. A6; see also Edward L. Morse and James Richard, "The Battle for Energy Dominance," *Foreign Affairs*, Vol. 81, No. 2, March/April 2002, pp. 21-22. Saudi imports accounted for 1.7 mbd of the 10 mbd of the oil the United States imported in 2001. *Ibid.*

42. Fareed Mohamdi in the Symposium of Joseph McMillan, Anthony H. Cordesman, Mamoun Fandy, and Fareed Mohamdi, "The United States and Saudi Arabia: American Interests and Challenges to the Kingdom in 2002," *Middle East Policy*, Vol. IX, No. 1, March 2002, pp. 10-11. See also F. Gregory Gause III, "Saudi Arabia Over a Barrel," *Foreign Affairs*, Vol. 79, No. 3, May/June 2000, pp. 80-94.

43. Estimates of Saudi investment in the U.S. range from \$400-\$600 billion; reportedly \$100 billion and as much as \$200 billion of this investment may have been withdrawn after a series of U.S. reactions to Saudi support for Al Qaeda. Roula Khalaf, "Saudis pull billions out of U.S.," *Financial Times*, August 21, 2002, p. 1; James Politi and Julie Carle, "Market fears over shift of Saudi money out of U.S.," *Financial Times*, August 22, 2002, p. 4; Roula Khalaf, "Saudis disagree on size

of U.S. fund withdrawal," *Financial Times*, August 23, 2002, p. 4.

44. Nicholas Blanford, "Even Kuwait's Islamists welcome US," *Christian Science Monitor*, September 23, 2002. However, Kuwait is not immune from terrorist incidents aimed at U.S. personnel or challenges from radical Islamists. Craig Smith, "Saved by U.S., Kuwait Now Shows Mixed Feelings," *New York Times*, October 12, 2002, p. A9.

45. Robin Allen, "Gulf states keep lid on extent of defence ties," *Financial Times*, February 18, 2003, p. 3; Russell, pp. 5-6.

46. Iraq first asserted claims to Kuwait as part of the Ottoman governate of Basra 5 days after Kuwait gained independence from Britain in 1961. There is a long history to the dispute going back to the time when the Ottoman Empire and Britain were in control of the area. See Lenore G. Martin, *Unstable Gulf*, pp. 45-47.

47. Qatar never fully closed its Israeli trade mission even 2 years after the September 2000 Intifada. James Drummond, "Saudis' rift with Qatar widens," *Financial Times*, October 1, 2002, p. 7.

48. Michael Gordon and Eric Schmitt, "U.S. Will Move Air Operations to Qatar Base," *New York Times*, April 28, 2003, pp. 1, A11.

49. See Joseph A. Kechichian, "Saudi Arabia's Will to Power," *Middle East Policy*, Vol. vii, No. 2, February, 2000, pp. 86-87, for examples of the balancing act performed by Qatar and Abu Dhabi in their relations with Saudi Arabia.

50. See Fawaz A. Gerges, "The End of the Islamist Insurgency in Egypt? Costs and Proposals," *Middle East Journal*, Vol. 54, No. 4, Fall 2000, pp. 592-612. Egypt might also face security challenges from the Sudan and Libya, but those matters go beyond the scope of this monograph.

51. Although the Mubarak regime cracked down on radical Islamists in 1997, the social conditions that could revive radical Islamic violence still continue. Not all Islamists in Egypt, of course, are violent. The largest group of Islamists is the Muslim Brotherhood and is generally nonviolent. The Muslim Brotherhood has even spawned a moderate, democratic splinter group, the Wasat Party. See Joshua A. Stacher, "Post-Islamic Rumblings in Egypt: The Emergence of the Wasat Party," *Middle East Journal*, Vol. 56, No. 3, Summer 2002, pp. 415-432.

52. Abdel Moneim Said Aly and Robert H. Pelletreau, "U.S.-Egyptian Relations," *Middle East Policy*, Vol. VIII, No. 2, June 2000, p. 49.

53. Patrick Tyler and Neil MacFarquhar, "Mubarak to President Bush on a State for Palestinians," *New York Times*, June 4, 2002, pp. 1, A6. Competition was

also evident earlier in the brief life of the Arab Cooperation Council formed by Egypt, Iraq, and Jordan, as a potential competitor to the GCC. See Curtis R. Ryan, "Jordan and the Rise and Fall of the Arab Cooperation Council," *Middle East Journal*, Vol. 52, No. 3, Summer 1998, pp. 386-401.

54. Saudi Arabia and Kuwait did reward Egypt with subsidies in compensation for Egyptian assistance during the Gulf War of 1990-91.

55. Jordan and Iraq had an estimated trade of \$260 million in 2002, "Jordan, Iraq to Sign a Free Trade Agreement," <http://www.arabicnews.com/ansub/daily/day/020723/2002072311.html>. Iraq has supplied all of Jordan's oil needs at discounted prices, worth some \$300 million. Roula Khalaf, "Jordan's anxiety increases as balancing act becomes harder," *Financial Times*, August 12, 2002, p. 12. The United States provided approximately \$400 million in financial and military assistance during 2002. *Ibid.*, p. 1. The United States also pledged another \$85 million to Jordan in 2002. Nicolas Pelham, "Conflict leaves Jordan torn between two partners," *Financial Times*, October 2, 2002, p. 6.

56. There are occasional clashes with Islamic militants, as occurred in Maan in November 2002. Nicholas Pelham, "Jordan army battles Islamists" *Financial Times*, November 12, 2002, p. 5.

57. The Bush administration requested \$25 million in 2002 to upgrade Jordanian air bases and provide military equipment; Jordan also permitted the United States in the late 1990s to use Jordanian air bases for overflights of Iraq to enforce the southern no-fly zone, and has cooperated with intelligence. Eric Schmitt, "U.S. Considers Using Jordan as Base for an Attack on Iraq," *New York Times*, July 10, 2002, p. A10.

58. Jordan has tacitly permitted use of its air space for American attacks on Iraq. Mark Odell and Peter Spiegel, "U.S., U.K., may use air space of Israel and Jordan," *Financial Times*, March 14, 2003, p. 3. Amman also permitted the location of patriot missiles in Jordan to defend it and presumably Israel against Iraqi missiles in the U.S. war against Iraq. Nicolas Pelham, "U.S. to provide Patriot missile shield," *Financial Times*, January 26, 2003, p. 3.

59. Ian J. Bickerton and Carla L. Klausner, *A Concise History of the Arab-Israeli Conflict*, 4th. ed., Upper Saddle River: Prentice Hall, 2002, p. 167.

60. Saudi Arabia declared its own embargo of oil in 1967 during the Arab-Israeli war, but it was not able to coordinate other oil producers.

61. See Herman Franssen, "Arab-US Energy Needs in Perspective," *The Middle East Economic Survey*, Vol. xlv, No. 37, September 16, 2002, pp. 1-7.

62. The U.S. trade with Arab countries prior to 9/11 was showing healthy growth trends according to Donald H. Niewiaroski, Jr., "2001 US-Arab Trade Overview," *U.S.-Arab Tradeline*, May 1, 2002, pp. 1-4.

63. Saudi Arabia reportedly made such a threat when expressing disappointment over Bush's unwillingness to pursue Prince Abdullah's efforts to promote Israeli-Palestinian peace in March 2002. Josh Pollock, "Saudi Arabia and the United States," *MERIA*, Vol. 6, No. 3, September 2002, p. 15.

64. It is not clear that non-Arab oil producers would have the capability of counteracting an Arab or OPEC oil embargo. See Morse and Richard, p. 30 (who think Russia and the Commonwealth of Independent States may be able to cushion oil shocks) and their critics (who do not think so); Shibley Telhami and Fiona Hill, "America's Vital Stakes in Saudi Arabia," *Foreign Affairs*, Vol. 81, No. 6, November/December 2002, pp. 168-170.

65. Tom Hamburger and Jim Vandettei, "How Israel Became a Favorite Cause of Christian Right," *Wall Street Journal*, May 23, 2002, pp. 1, A8.

66. See Roula Khalaf, "Saudi Arabia tries to keep its balance," *Financial Times*, September 16, 2002, p. 3; Kuwait has moved the most in that direction. See Ghanim Alnajjar, "The Challenges Facing Kuwaiti Democracy," *Middle East Journal*, Vol. 54, No. 2, Spring, 2000, pp. 242-258; and Steve Yetiv, "Kuwait's Democratic Experiment in its Broader International Context," *Middle East Journal*, Vol. 56, No. 2, Spring 2002, pp. 257-271.

67. See Martin Indyk, "Back to the Bazaar," *Foreign Affairs*, Vol. 81, No. 1, January/February 2002, pp. 75-88. There might also be a sense that the region will become more stable on the theory that democracies do not go to war against other democracies.

68. See Quintan Wiktorowicz, "The Limits of Democracy in the Middle East: The Case of Jordan," *Middle East Journal*, Vol. 53, No. 4, Autumn 1999, pp. 606-620.

69. Egypt, for example, resented American pressure to release Saad Eddin Ibrahim, and even some human rights groups and other opposition forces supported the government on this issue. *Wall Street Journal*, September 17, 2002, p. A10. See also Sheila Carapico, "Foreign Aid for Promoting Democracy in the Arab World," *Middle East Journal*, Vol. 56, No. 3, Summer 2002, pp. 379-395.

70. Indications of some flexibility on this issue in early 2003 include Crown Prince Abdullah of Saudi Arabia's proposal of an Arab Charter that called for internal reform and enhanced political participation and the audience he gave to Saudi intellectuals calling for constitutional reform. See Michael Dobbs, "Reform

With an Islamic Slant," *Washington Post*, March 9, 2003, p. A23. Qatar, for example, has even adopted a constitution that guarantees certain freedoms of expression and institutes a parliament with the power to legislate subject to the Emir's veto. "Qatar: Vote on Constitution," *New York Times*, April 29, 2003, p. A7; "Qatar: Constitution Celebrated," *New York Times*, May 1, 2003, p. A10. See also Steve Yetiv, "Kuwait's Democratic Experiment in its International Context," *The Middle East Journal*, Vol. 56, No. 2, Spring 2002, pp. 257-271.

71. See Rothstein, p. 88, who predicts that democratic transformations of Third World countries would be fraught with violence.

72. Former Central Intelligence Agency Director James Woolsey is a public advocate of this position. See his Press Release of September 11, 2002, reprinted by Resources for the Future, <http://www.rff.org/news/releases/woolsey.htm>. See also Lenore G. Martin, *The Unstable Gulf*, pp. 164-165.

73. See Hussein Agha and Robert Malley, "The Last Negotiation—How to End the Middle East Peace Process," *Foreign Affairs*, Vol. 81, No. 3, May/June 2002, pp. 10-18.

74. The right wing position as represented by Netanyahu when he was in power was opposed to the peace process. See Avi Shlaim, *The Iron Wall: Israel and the Arab World*, New York: Norton, 2001, pp. 596-607.

75. See Fandy, *Saudi Arabia*, pp. 59-60, 70, 78-80, 111-12, 137.

76. See Lenore G. Martin, "Conceptualizing Security in the Middle East."

77. See Ali F. Darrat and Sam R. Hakim, "Winners and Losers in the Middle East: The Economics of the 'Peace Dividends,'" *Middle East Policy*, Vol. IX, No. 3, September 2002, pp. 34-39. Moreover, "positive economic inducement strategies" by the United States, i.e., economic assistance to both sides, would be necessary but not sufficient incentives to a final peace agreement. International donors would also be needed to rebuild the Palestinian economy. See Scott Lasensky, "Underwriting Peace in the Middle East: U.S. Foreign Policy and the Limits of Economic Inducements," *MERIA*, Vol. 6, No. 1, March 2002, 17 pp.